

## VOCATIONAL EDUCATION EQUIPMENT GUIDELINES

1. Equipment is defined as follows:
  - a. Tangible personal property (equipment), as opposed to real property (land, buildings).
  - b. Items whose useful life must be equal to or longer than one year.
2. Equipment with a purchase price limitation of \$1,000 or more must be accounted for and controlled in accordance with the provisions of the Uniform System of Financial Records VI-E (USFR) for Arizona public schools. Charter schools are subject to the provisions of the Uniform System of Financial Records for Arizona Charter Schools (USFRCS). Non-secondary public schools, such as universities and community colleges, must follow the equipment purchase and inventory guidelines set forth under state law for their particular type of institution.

Property contract procedures should include the Stewardship Listing recommendation provided under the provisions of USFR VI-E, for equipment costing less than \$1,000, or similar controls for recipients to whom the USFR does not apply.

3. The acquisition cost is to include actual costs, including ancillary charges necessary to put the assets in use. Ancillary costs include tax, freight charges, assembly and installation, and other incidental costs.
4. Equipment must be logically related to, and necessary to, the occupation being taught. The equipment is to be used only for Vocational Education programs or loaned/shared with other school-based programs so as not to interfere with the Vocational Education program for which the equipment was originally purchased.
5. Eligible recipient will have available upon request requisitions, purchase orders and invoices for all Vocational Education equipment purchases.
6. Equipment will have been received and be operational in sufficient time to make an impact on the current program.
7. All purchased equipment will have adequate insurance coverage.
8. Eligible recipients will have available upon request a physical inventory of Vocational Education equipment. Districts and recipients should update their general fixed assets listing at least annually.
9. Property records of Vocational Education equipment with a unit cost of \$1,000 or more shall include:
  - a. Location (school, department, building, etc.)
  - b. Identification number (tag number, serial number, or other number that specifically identifies the item)
  - c. Description (model number, size, color, etc.)
  - d. Method of acquisition (purchase, donation, construction, trade, or lease-purchase)
  - e. Source of funding
  - f. Acquisition date (month and year of acquisition)

## **EQUIPMENT GUIDELINES** (continued)

- g. Purchase document number (P.O. number, voucher number, or other document number that can be used to trace to the supporting documentation)
  - h. Actual or estimated historical cost
  - i. Condition of asset (for assets with unit costs of \$5,000 or more purchased with federal monies)
  - j. Percentage of federal participation (for assets with unit costs of \$5,000 or more purchased with federal monies)
- 10. A control system must be developed to ensure adequate safeguards to prevent loss, damage or theft of the property. Any loss, damage or theft shall be investigated.
- 11. Adequate maintenance procedures must be developed to keep property in good condition.
- 12. Eligible recipient will show that proper procedures were followed when disposing of Vocational Education equipment. A summary of required procedures is as follows:
  - a. Disposition - when original or replacement equipment acquired under a grant or subgrant is no longer needed for the original project or program or for other activities currently or previously supported by a federal agency, disposition of the equipment will be made as follows:
    - 1. Items of equipment with a current per unit fair market value of less than \$5,000 may be retained, sold or otherwise disposed of with no further obligation to the awarding agency.
    - 2. Items of equipment with a current per unit fair market value in excess of \$5,000 may be retained or sold and the awarding agency shall have a right to an amount calculated by multiplying the current market value or proceeds from sale by the awarding agency's share of the equipment.
    - 3. In cases where a grantee or subgrantee fails to take appropriate disposition action, the awarding agency may direct the grantee or subgrantee to take excess and disposition action.
  - b. Right to transfer title - the federal awarding agency may reserve the right to transfer title to the Federal Government or a third party named by the awarding agency when such a third party is otherwise eligible under existing statutes. Such transfers shall be subject to the following standards:
    - 1. The property shall be identified in the grant or otherwise made known to the grantee in writing.
    - 2. The federal awarding agency shall issue disposition instruction within 120 calendar-days after the end of the federal support of the project for which it was acquired. If the federal awarding agency fails to issue disposition instructions within the 120-calendar day period, the grantee shall follow EDGAR 34 CFR 80.32(e).
    - 3. When title to equipment is transferred, the grantee shall be paid an amount calculated by applying the percentage of participation in the purchase to the current fair market value of the property.

## **EQUIPMENT GUIDELINES** (continue)

13. All procurement transactions must be in compliance with state law and local regulations.

(See Uniform System of Financial Records (USFR), General Fixed Assets, VI-E-1 through 15)

(See 34 CFR 80.32, Equipment)

## **EQUIPMENT USAGE:**

Please note that the federal regulations require:

- a. that a district will not expend funds under this grant to acquire equipment (including computer software) that results in direct financial benefit to any purchasing entity or its employees or any affiliate of such an organization; and
- b. that the district will use equipment for other instructional purposes only if (1) the acquisition of the equipment was reasonable and necessary for the purpose of conducting a properly designed project or activity; (2) the equipment is used after regular school hours or on weekends; and (3) such other use is:
  1. Incidental to the use of the equipment;
  2. Does not interfere with the use of that equipment for the purpose under which it was purchased; and
  3. Does not add to the cost of using that equipment for the purpose under which it was purchased.

In addition, the state requires that:

Equipment purchased with monies awarded for Vocational Education must be used to support ongoing vocational programs. If a vocational program ends, the equipment must be used to support other ongoing, approved vocational programs.

In the event an eligible recipient no longer offers vocational education or the equipment is no longer needed by any of the eligible recipient's vocational programs, the state may request that the equipment be transferred to another eligible recipient. If the state elects not to request the equipment be transferred, then the eligible recipient may transfer or dispose of the equipment in accordance with their own policies, subject to the requirements of state law or federal law, depending upon the source of funds used to purchase the equipment.